

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Monday, January 31, 2005, 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Merlynn T. Newbold, Committee Co-Chair
Sen. Chris Butters
Sen. Allen M. Christensen
Sen. Gene Davis
Rep. Bradley G. Last
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Roz McGee
Rep. Paul Ray
Rep. Aaron Tilton

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: David N. Sundwall, Executive Director, Department of Health
Barry Nagle, Director, Center for Public Health Data
Iona M. Thraen, Director, Division of Health Systems Improvement
Richard Melton, Deputy Director, Department of Health
George W. Delavan, Director, Division of Community and Family Health
Teresa Garrett, Acting Director, Division of Epidemiology and Laboratory Services
Gary House, Director, Weber/Davis County Health Department
Myron Bateman, Director, Tooele County Health Department

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Newbold at 2:03 p.m.

Co-Chair Newbold indicated the committee would hear from the Department of Health today and Wednesday and public testimony on this Department would be heard on Thursday.

1. Department of Health - Department Overview

David Sundwall, Executive Director, Department of Health, introduced himself and gave a brief summary of his education and health policy background. He distributed a report on "The Kurt Oscarson Children's Organ Transplant Fund" which he indicated is required by statute. He explained this fund was established in 1992 to provide support for families in need of an organ transplant for their child. Seventeen families were served in 2004. He indicated contact information is listed on the bottom of the report if additional information is needed. The other report required by statute is Tobacco Prevention and Control in Utah. This report was provided during the Division of Community and Family Health Services' presentation.

Dr. Sundall stated that this is a very large department with a budget of nearly \$1.7 billion and over 1,300 employees. The majority of these funds are for Medicaid and also the Children's Health Insurance Program. The Department also serves people on the Primary Care Network Medicaid Waiver. He said he would like to acknowledge Spencer Pratt, Legislative Fiscal Analyst, for the remarkable analysis he does of this important budget. He stated Mr. Pratt's

understanding of the issues is very impressive and the Department appreciates his work over the years. Dr. Sundwall said there were a few differences in the Analyst's recommended budget and the Governor's, most notably the Governor has recommended that the adult dental and vision benefits in the Medicaid program be restored. He indicated he would furnish a comparison to those committee members who would like them.

Mr. Pratt distributed a sheet that helps cross reference the budget briefs with the tab number of the budget book with issues briefs and the COBI. This should be helpful in finding the information being discussed. The Department of Health Budget Brief is found under Tab 6. The base budget is \$1.7 billion. He said the graph on Page i shows how quickly the budget has grown for this Department during the last five years. He stated it is important to separate the non-Medicaid and Medicaid functions. He said the growth in the budget is about 95% to 98% due to growth in Medicaid. The non-Medicaid portion has not grown and in fact decreased due to budget cuts. He discussed the revenue reallocations outlined on Page ii, which are recommended and included in the Analyst's recommended budget. Funding issues that are recommended by the Analyst are found on Page iii but are not included in funding. He indicated there are four Divisions that have fees, listed on Page iii and the seven items that have federal funds are listed on the top of Page iv. Intent language that the Analyst has recommended is on Page iv and v, with one exception. The last item on Page iv continuing to Page v is no longer recommended as it does not meet the standards that were imposed after the Budget Brief was printed. He indicated one new item of intent language dealing with immunization will be presented.

2. Department of Health - Executive Director's Office

Dr. Sundwall indicated the Executive Director's Office has experienced large administrative reductions in the previous three years and resources have been cut thin but there is no base budget increase proposed. He said that this line item also includes funding for the Center for Health Data. He distributed Utah's Public Health Data Resource and explained IBIS, which he said is an outstanding, nationally recognized way to track the health of Utah citizens through various health indicators. He highlighted three issues: indicator profiles on overweight and obesity, which is a problem in Utah as well as nationally; the lack of health insurance coverage for Utah citizens, which is about 9%; and immunizations. He indicated Utah has been recognized as having the highest rate of increase nationally in childhood immunizations.

Barry Nagle, Director, Center for Public Health Data, stated that progress in immunizations has been difficult to obtain. He indicated the Department of Health has taken the approach to build an infrastructure that will have a more lasting capacity. They have built a state wide information immunization system, USIIS, so that if immunizations are provided by different providers, a record can be built through the internet. It has been successful in Utah and has resulted in this national recognition for a public health system award.

Richard Melton, Deputy Director, Department of Health, stated that Utah experiences a need to track or follow diseases almost daily. He gave examples of the West Nile virus and Sars. He said after 9/11 Congress provided money to the states to prepare for these kinds of incidents, not only for intentional bio-terrorism but also those things that occur naturally. He said the system put together using the bio-terrorism money allowed the Department to better use the influenza vaccine received during this year's shortages. The Department originally received \$16 million for bio-terrorism. Last year the funding was reduced to \$12 million and it is anticipated there will be another decrease in the amount of money that the states are getting. He said they have a new surveillance program called RODS which tracks diseases seen in emergency rooms.

Mr. Pratt said he would like to tout the ability of the IBIS website to dispense information. He said it is very interactive. He said it gives you the ability to obtain a customized look at different health parameters and is very useful and impressive.

3. Department of Health - Health Systems Improvement

Dr. Sundwall stated this area of the Department of Health is important because it addresses the quality of Utah health care systems. He said its mission is fulfilled through the examination; analysis; and actions that improve service availability, accessibility, quality, and costs. He said the budget for the Division covers four areas: emergency

medical services, child care licensing, health facility licensing and primary care grants. He indicated since he came to the Department, he became aware of concerns in child care licensing. He said these are being addressed successfully through regulations and hopefully will preclude the need for legislation.

Iona Thraen, Director, Division of Health Systems Improvement, answered questions concerning the child care licensing issue. She said changes made effective January 1st moved from an unannounced visit process to an annual scheduled technical assistance visit. She indicated they had prioritized the rules and identified only those that are called high risks for harm areas. She said there is a verification that takes place after the technical assistance visit to make sure that appropriate changes have been completed.

Ms. Thraen passed out Health Systems Improvement Highlights which gives an organizational overview. She pointed out that as of July 1, 2004, Child Care Licensing has been separated from the Bureau of Licensing and is now supervised by the Division office. She also distributed a sheet of graphs which indicate the growth in the health care providers community, showing both the total and types of services. She stated they have been challenged over the past several years with budget cuts which have greatly affected the Bureau of Licensing, as this bureau is funded primarily by general fund only.

Mr. Pratt indicated that on Tab 8, Page i, he addresses the reorganization of two programs within the Division. He indicated that this transfer could result in up to an additional \$500,000 in federal funding. He said this is by no means in the bank. It stills need to be approved by the federal government to see if the general funds are going to be eligible for federal match. Therefore, the Analyst did not recommend reducing the budget.

4. Approval of Minutes

MOTION: Sen. Christensen moved to approve the minutes of 1-26-05. The motion passed unanimously with Sen. Davis absent at the time of the vote.

5. Department of Health - Workforce Financial Assistance

Ms. Thraen said she administers the Workforce Financial Assistance program. She said three or four years ago a proposal was made to consolidate three separate committees and statutes into one functional committee, which since that time has made the assistance awards. Since that time 30 loan scholarships have been awarded to a number of health care professionals, including dentists, mental health care practioners, therapists, nurses and physicians. Answering questions from the committee, she explained the fluctuation of awards during the different years. She explained that the year when five awards were given was the year of the consolidation of the three committees and rules, procedure and protocol had to be established before grants were given. The next year those carry over funds were available for the fifty-one grants and then in 2004 it dropped down to the usual level of twelve.

Mr. Pratt explained that this is an assistance program that the state provides to assist for loan repayments, or for grants or scholarships, to health care professionals in return for their agreement to work in a medically under served area of the state. He said this does not necessarily mean a rural area because they are medically under served areas in urban areas. Discussions were held concerning allocation of grants, nursing shortages and education of new nurses.

6. Community and Family Health Services

Dr. Sundwall announced that the Department would welcome the opportunity to expand newborn screening for all newborn infants. This would not require Legislation or statute change but would require authorization for the fee to be adjusted from \$35 to \$65. He said this would enable the Department to serve the newborns in this state be screening for a significantly expanded number of diseases. It would not be an appropriation of funds but authorization to charge this higher fee.

George Delavan, Director, Division of Community and Family Health Services drew attention to the Budget Issues under Tab 11, Page ii, where the graphs show examples of accomplishments of the major bureaus within the

Division, which are health promotion, maternal and child health and children with special health care needs. He said under health promotion is the tobacco program which receives significant funding from the tobacco settlement and the tobacco tax. As the graph shows, there has been significant decreases in tobacco use by both adults and youth. The second graph shows the improvement in childhood immunization rates. The third graph shows the enrollment in the baby watch/early intervention program which provides early intervention for infants and toddlers who have disabilities like Down Syndrome. He said with the funding cuts in the past there was not enough funding to deal with the case load growth in this program, so the Division started charging parent fees on a sliding scale.

Dr. Delavan distributed the annual report of the Tobacco Prevention and Control in Utah and said on the back of the report is a web site where more detailed information can be accessed. He highlighted some information from the report showing adult tobacco use has declined by 15% and youth tobacco use by 39%. The report shows the different methods that are used to help reduce tobacco use, including media, community programs, quit lines and enforcing not selling to minors. He pointed out that more than 10,000 have used the telephone quit line and over 2,300 have used the on-line quit service.

Dr. Delavan distributed an organizational chart for the Division and a Fact Sheet concerning newborn heelstick screening. He stated Utah now screens for 4 diseases: PKU, congenital hypothyroidism, galactosemia, and hemoglobinopathy. Technology now makes it possible to screen for over 30 diseases on one heelstick blood spot. He indicated they have been doing a pilot program to look at the feasibility of working with laboratories in doing this testing. It has been recommended that expansion be made to these additional tests. This would be funded by user fees. Right now the Division is authorized to charge hospitals \$35 for each kit. If the program is expanded, the fee would be \$65.

Mr. Pratt explained that this is one of the larger budgets on the non-Medicaid side of the Department. He urged committee members to refer to the COBI to get a wider view of what this Division does. He said that Health Promotion helps people manage chronic diseases, promotes healthy lifestyles, and tries to prevent violence and injury in children and adults. They also deal with immunizations, oral health and the WIC program. They also handle the program for children with special health care needs. These funds go to providers who provide direct services for a lot of children who have specific problems with their health. The neonatal follow-up, newborn screening, Baby Watch/Early Intervention and the new records management program are all in this Division. This Division provides a lot of direct services to citizens of Utah outside of Medicaid.

7. Epidemiology and Laboratory Services

Dr. Sundwall stated he has 10 years experience in laboratory services and is well aware of how critical they are to public health as it constitutes disease surveillance, identification and tracking. It is a very important Division.

Teresa Garrett, Acting Director, Division of Epidemiology and Laboratory Services, said she would also like to send a hearty thanks to Analyst Spencer Pratt for asking for consideration for the \$500,000 for the one time appropriation for laboratory equipment. She stated the state has about \$7 million invested in laboratory equipment and this equipment has a life cycle of about five years. The Division has stretched that life cycle to about 7 to 10 years but some of this equipment really needs to be replaced. She referred to the graph in the Budget Issue, Tab 10, Page ii and iii which describe workloads in the State Health Laboratory. The first one is for Chemical and Environmental Service to monitor water, soil and air compliance. Forensic Toxicology provides service to the medical examiner's office and law enforcement. This has had a great workload increase, mostly from law enforcement requests for testing for alcohol and drugs. Microbiology provides laboratory support services for local health departments. She said the Communicable Disease Control shows an increase in the amount of HIV testing in part from a small grant from the Centers for Disease Control. She said the Epidemiology chart is an example of the data that is collected.

Mr. Pratt explained that the graphs that are found in all of the sections are simply representative items of some of the things that each Division does, but there are many duties and things that each Division performs throughout the regular course of the day that are not charted in the Briefs. He mentioned the bottom of Page iii of the Budget Brief addresses intent language that deals with equipment for the laboratory. The Analyst is recommending that authorization be given to this department, if funding is still left over on June 30, that up to \$200,000 be allowed to

not lapse back to the state but be expended for one time lab equipment, building improvements and computer equipment. It is not a recommendation for additional funding.

8. Local Health Departments

Dr. Sundwall stated he looked forward to being a partner with local health officers who do much work that might not be appreciated or known.

Gary House, Director, Weber/Morgan Health Department, said he was representing the twelve local health departments in the state of Utah. He said people may ask why is there money in the state budget that is paid to local health departments. He said he wanted to report how that money is used and how critically important it is to the local health departments. He said if you look at the Budget Brief, Tab 15, under summary, it states that the twelve local health departments cover all areas of the state and provide local public health services. Many services that are required by state law are administered by local departments. He highlighted three of these services. The first was disease prevention and control, which monitors the number of disease cases that are reported by medical providers. The second one is clinical services. He stated that in the local health departments there are people who come in each day requesting services and many of them are low income and have no other place to go. He said no one is turned away regardless of ability to pay and so there is a certain amount of uncompensated health care services provided. The third is prevention of outbreaks but in the realm of environmental health. Local departments respond to a number of complains regarding environmental issues. He gave examples of the poor air quality in Cache Valley last year and the recent flooding in Washington County. He said local departments are continually doing more with less. He said he would ask for consideration of the Governor's recommended COLA.

In response to committee questions, Myron Bateman, Tooele County Health Department, explained how the appropriated funding is divided among the different local health departments. He said it is a complicated formula based on population, square miles, poverty levels, etc. He said it took some time to formulate the formula and it has worked well for many years. He explained that this funding only covers a portion of what local departments do and local government funds are also used.

Mr. Pratt stated that each of the twelve departments is overseen by its own local Board of Health. He said the local health departments are the service delivery for some of the things that the state mandates be done. He said some things they do is restaurant inspections, swimming pool checks, enforcement of the Clean Air Act, tobacco compliance checks, and the WIC program, so a lot of the primary services are delivered by the local health departments.

MOTION: Sen. Christensen moved to adjourn. The motion passed unanimously with Sen. Davis absent at the time of the vote.

Co-Chair Newbold adjourned the meeting at 3:55 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair